Computing Your Retirement Benefit

A member's retirement benefit is calculated based on a retirement formula. The factors used in calculating this benefit include:

1. **Average Final Salary (Compensation):** The average of the highest three years (July - June) out of the last 10 years the member made contributions. Partial years are included when calculating the average final salary if they benefit the member.

2. **Years and Months of Creditable Service:** The total amount of creditable service to include membership service, prior service, purchased service and transfer service.

3. **Retirement Benefit Factor:** The current benefit factor, as established by the State Legislature, is 2.0125%.

Retirement Formula for Maximum Monthly Benefit

Average Final Salary x Years and Months of Service x Benefit Factor ÷ 12 = Max Monthly Benefit

Example: Average Final Salary: $35,000
Service Credit: 27 years and 6 months

$35,000 x 27.5 x .020125 ÷ 12 = $1,614.19 per month

The member also has four options to choose from that are a reduction from the Maximum Monthly Benefit.

Important: When a member submits a retirement application, the staff calculates the monthly benefit under the Maximum Monthly Benefit and the Optional Monthly Benefits. The TRS mails this information to the retiring member, along with a form (RETIREMENT BENEFIT OPTION SELECTION) to elect the benefit the member wishes to receive. **If no election of an option is made prior to the effective date of retirement, the law specifies that the member will receive the Maximum Monthly Benefit retirement allowance.**